

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars	
	2014	2013	2014	2013
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 8,501	¥ 5,177	\$ 82,598	\$ 50,301
Adjustments for:				
Depreciation	1,407	1,471	13,670	14,292
Impairment loss on fixed assets	61	128	592	1,243
(Decrease) increase in reserve for possible loan losses	(2,245)	948	(21,813)	9,211
Interest and dividend income	(33,681)	(35,016)	(327,254)	(340,225)
Interest expense	1,813	1,956	17,615	19,005
Decrease in trading securities	104	74	1,010	719
Decrease (increase) in loans and bills discounted	24,685	(20,368)	239,846	(197,901)
Decrease (increase) in call loans and bills purchased	20,659	(698)	200,728	(6,781)
Increase in deposits	84,935	48,045	825,252	466,818
Increase (decrease) in security deposits received related to securities lending transactions	29,572	(29,126)	287,329	(282,996)
(Decrease) increase in borrowings (excluding subordinated borrowings)	(17,685)	24,225	(171,832)	235,376
(Gain) loss on securities transactions	(1,134)	336	(11,018)	3,264
Gain on foreign currency transactions	(3,625)	(5,345)	(35,221)	(51,933)
(Decrease) increase in reserve for contingencies	(60)	9	(582)	87
Interest and dividend income received	35,375	36,120	343,713	350,952
Interest expense paid	(2,299)	(3,169)	(22,337)	(30,790)
Other, net	7,948	943	77,225	9,162
Subtotal	154,333	25,712	1,499,543	249,825
Income taxes paid	(2,625)	(3,803)	(25,505)	(36,951)
Net cash provided by operating activities	151,708	21,908	1,474,038	212,864
Cash flows from investing activities:				
Purchases of securities	(455,174)	(321,613)	(4,422,600)	(3,124,883)
Proceeds from sales and maturities of securities	353,628	290,143	3,435,950	2,819,111
Purchases of tangible fixed assets	(1,995)	(2,073)	(19,383)	(20,141)
Proceeds from sales of tangible fixed assets	233	128	2,263	1,243
Purchases of intangible fixed assets	(32)	(7)	(310)	(68)
Net cash used in investing activities	(103,340)	(33,422)	(1,004,080)	(324,737)
Cash flows from financing activities:				
Dividends paid	(759)	(760)	(7,374)	(7,384)
Other, net	(42)	(43)	(408)	(417)
Net cash used in financing activities	(802)	(803)	(7,792)	(7,802)
Net increase (decrease) in cash and cash equivalents	47,565	(12,317)	462,155	(119,675)
Cash and cash equivalents at beginning of year	89,810	102,128	872,619	992,304
Cash and cash equivalents at end of year (Note 2(b))	¥ 137,375	¥ 89,810	\$ 1,334,774	\$ 872,619

The accompanying notes are an integral part of these consolidated financial statements.